

# **Executive Summary**

## **ES-05 Executive Summary**

### **Introduction**

The City is required to have a Consolidated Plan for Housing & Community Development in order to receive funding under two federal programs: the Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) programs. The CDBG program grows local economies and improves the quality of lives for low-and moderate-income residents. The HOME program is designed to create affordable housing for low-income households through building, buying, and/or rehabilitating housing for rent or homeownership. The U.S. Department of Housing & Urban Development (HUD) provides direct grants to over 1200 state and local governments, called entitlement communities, including the City of Burlington, on a formula basis each year. The City, in turn, awards grants and loans to local nonprofits and also provides direct services to residents and businesses through several CDBG-funded programs. In 2012, the City received \$626,689 in CDBG funding and \$340,710 in HOME funding. This Consolidated Plan assumes that these funding streams will be received at diminished levels for the next five years, since at the time of this publication the annual allocation has not been released.

The Consolidated Plan provides detailed information about city demographics, the local housing market and the local economy. It outlines housing, community and economic development needs and priorities for the City. This Consolidated Plan covers the five-year period beginning in July 2013.

The federal statutes that created the CDBG and HOME programs lay out three basic purposes against which HUD evaluates the Consolidated Plan and the City's performance under the Plan. Those three statutory program purposes are decent housing, expanding economic opportunities and providing a suitable living environment for low- and moderate-income persons. In the following section, a more detailed explanation of the three program purposes is provided.

The Consolidated Plan is organized into three sections: Needs Assessment, Market Analysis, Strategic Plan; this year the One Year Action Plan is included as well. The Needs Assessment Section provides a concise summary of the City's estimated housing and community development needs for the next five years. The Market Analysis overview provides an analysis of the housing market, homeless housing and facilities and the City's economic characteristics. The Strategic Plan selects priorities among the existing needs, describes the City's specific objectives for the next five years (given available resources), and describes how the City will carry out its action strategies. The Action Plan details how the City plans to spend the CDBG and HOME resources on specific activities in the coming year.

After the close of each program year, the City prepares a Consolidated Annual Performance Evaluation Report (CAPER) to report on progress and on CDBG and HOME expenditures during the year.

## **CDBG Purposes**

The entitlement funds provided to the City of Burlington allow the City to address the housing, homeless and community development needs of the jurisdiction. The three statutory purposes for the Community Development Block Grant are decent housing, expanded economic opportunities and providing a suitable living environment.

DECENT HOUSING, which includes:

- Assisting homeless persons obtain affordable housing;
- Assisting persons at risk of becoming homeless;
- Retaining the affordable housing stock;
- Increasing the availability of affordable, permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- Increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and
- Providing affordable housing that is accessible to job opportunities.

EXPANDED ECONOMIC OPPORTUNITIES, which includes:

- Job creation and retention;
- Establishment, stabilization and expansion of small businesses (including micro-businesses);
- The provision of public services concerned with employment;
- The provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan;
- Availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- Access to capital and credit for development activities that promote the long-term economic and social viability of the community; and
- Empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

A SUITABLE LIVING ENVIRONMENT, which includes:

- Improving the safety and livability of neighborhoods;
- Eliminating blighting influences and the deterioration of property and facilities;
- Increasing access to quality public and private facilities and services;
- Reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods;
- Restoring and preserving properties of special historic, architectural, or aesthetic value; and

- Conserving energy resources.

## **Summary of the Objectives and Outcomes Identified in the Plan Needs Assessment Overview**

Affordable housing continues to be the City's highest overall priority under this Consolidated Plan. Cost of housing, age of the housing stock and a very low vacancy rate are three significant factors that contribute to the need for affordable housing in Burlington. For both renters and owners, at all income levels and across all household types, cost burden is the most pressing housing problem. Fifty one percent of all low- and moderate-renter households are cost-burdened. Cost burden is most acute among extremely low-income renters with 69% paying more than 30% of their income for housing.

In the Market Analysis Section, it is noted that there are a total of 140 affordable units in the City whose affordability restrictions will expire in the next five years. It is also noted that over 47% of the City's housing stock was built before 1950. The rental vacancy rate, which is measured every six months by the firm of Allen & Brooks, runs well below the national and regional rates, averaging well below 2% the last three years.

Due to these factors, the following initiatives will be on the City's housing agenda the next five years: preserving as many affordable units as possible; creating new affordable units, renovating rental and owner-occupied affordable housing and promoting homeownership among income-qualified households. The City views investment of CDBG funds into activities that help residents to become and/or remain housed and living independently as an effective investment.

Economic opportunity is the City's next highest priority. As the state's largest city, Burlington must continue to be an economic engine for the region and state. The City uses CDBG to focus on job creation and retention through technical assistance and gap financing for businesses, and to support low-income residents in business ownership through entrepreneurial training and loans. There will be opportunity in the next five years to invest a small amount of CDBG resources into actual bricks and mortar projects to stimulate economic growth in our Neighborhood Revitalization Strategy Area. These uses of CDBG resources create and retain businesses and jobs; leverage other resources; increase tax revenues to support City services; support local ownership; and revitalize neighborhoods.

The City has also historically used CDBG to address barriers to economic opportunity. Affordable quality early care and education is one example; this is an identified community priority, and has multiple long-term impacts – the ability of parents to get and keep a job and be productive at work; children's success in school and, ultimately, the quality of the local workforce; and even public safety costs. There are other barriers as well, such as limited English proficiency, which will sometimes call for the investment of CDBG dollars. The City chooses to be flexible in its funding choices in this area in order to respond to shifting needs and resources, emerging opportunities and crises, and changing economic conditions.

A suitable living environment is the city's third priority overall. The City has a limited capacity to fund social services out of municipal resources, and has historically used the maximum (15%) available CDBG resources to support the provision of social services by local nonprofits. The City also uses CDBG to support public facilities and infrastructure, as well as nonprofit facilities, where there is support for the project and no other resources. Finally, the redevelopment of brownfields is a priority for the city because it meets multiple objectives: it increases the tax base, reduces environmental hazards and, often, allows for the productive reuse of historic structures.

## **Community Vision – Legacy**

In 2000, city residents came together to build a common vision of Burlington's future. Known as the Legacy Action Plan, this sustainability document (one of the first of its kind in the country) captures the input and hopes of thousands of Burlington residents and their community dreams and aspirations for the future. Unlike traditional sustainability plans, Burlington's Legacy Action Plan reflects our shared understanding and belief that sustainability is not only about the environment, but the nexus between the 4 E's: social **equity**, **economic** vitality, quality **education**, and a healthy natural **environment**.

The Legacy Plan is undergoing an update. This revised version will capture the changing and evolving priorities and interests of Burlington stakeholders while preserving the original vision outlined a decade ago. The update also harmonizes the Legacy Plan with two HUD-funded sustainable communities' initiatives currently underway: the Downtown/Waterfront planning effort known as PlanBTV and the regional sustainability planning effort known as the ECOS project.

The updated Plan reflects input from community stakeholders shared at Legacy Town Meetings, the PlanBTV and ECOS engagement processes, discussions at neighborhood planning gatherings, diversity and equity celebrations, conversations around climate and transportation planning, and through other community engagement activities. The Plan is organized around sectors, goal, and actions. Goals are the general, long-range desired outcomes of the community. Goals are used to help define indicators that will gauge our progress towards achieving these goals. This update also includes new and emerging actions.

The updated Plan not only captures and honors the original structure; it also includes some new and emerging sectors and goals, particularly around diversity and equity and the role and importance of addressing pressing transportation challenges.

## **planBTV**

planBTV - Downtown & Waterfront Plan is the latest planning effort the City has conducted; concentrating on development a vision for Burlington's downtown and waterfront areas. The process began in 2011 with a series of existing conditions analyses to help us understand Burlington's realities for: housing, retail & real estate market, public infrastructure, climate change, etc. planBTV is the result of an 18-month public engagement process in which more than 2,000 residents, business owners and non-profit organization members have participated, sharing their

ideas and vision for the future. Seven place-based themes emerged from the process and mesh very well with the Legacy overarching sustainability goals.

- Vibrant Economy – local food, local business, local character
- Housing Choice – choice, affordability, dignity
- Transportation Choice – walking, biking, transit, driving
- Active and Healthy Living – access to nature, arts, people, entertainment
- Environmental & Cultural Stewardship – access to clean water, clean air, & natural spaces
- Sense of Place – civic pride, tolerance, community, authenticity
- Creativity & Innovation – innovation, arts, creativity

Specifically relevant to the work of the City under the Consolidated Plan, planBTV calls for more housing in our downtown and entire city. With less than 3% vacancy in the housing stock, 61% of all renters in Burlington are paying more than 30% of their income for housing. planBTV calls for the elimination of certain regulatory barriers to allow for more housing to be built. Additional and more diverse housing will positively affect affordability and allow people to live closer to their workplace, therefore also reducing their transportation costs.

### **Evaluation of Past Performance**

Under the previous Consolidated Plan, we have completed four of five program years. For affordable housing, we are exceeding our target for rental rehab, new transitional housing and lead abatement. We are behind in producing new affordable rental units, promoting homeownership and preserving existing housing. Goals should be met in preserving existing housing this year and rehabbing owner housing. The low homeownership numbers reflect a decline in the housing market overall and the challenges of mortgage financing. Declining CDBG resources, combined with the highly staff-intensive nature of small projects (necessary to ensure compliance with federal regulations), have meant that we have had to limit assistance for owner rehab and small rental rehab projects. Larger development projects might have taken longer to complete but they are not stalled.

Under economic opportunity, we have exceeded all of our target goals for business and job creation/retention, enhancing commercial infrastructure and reducing the barriers to economic opportunities.

We are meeting and exceeding all of our public service target goals. In the area of public facilities and brownfields, we are exceeding our targets in some areas and falling short in others. Remediation of brownfields is behind but progressing towards the goal.

<b>DECENT HOUSING PROGRESS</b>
<b>GOAL:</b> All Burlington residents have a range of housing options that offer them safe, decent, appropriate, secure and affordable housing.
<b>COMMUNITY INDICATORS:</b> Rental Vacancy Rate, Homeownership Rate, # of Foreclosures, # of Affordable Units, Level of Cost Burden, # of Homeless
<b>STRATEGY: PRODUCE NEW AFFORDABLE RENTAL HOUSING</b>
<b>OBJECTIVE:</b> Develop 128 new units of affordable rental housing over the next five years
<b>4-Year Progress:</b> 54 units completed, 34 underway, 63 in predevelopment
<b>STRATEGY: PROMOTE HOMEOWNERSHIP</b>
<b>OBJECTIVE:</b> Develop 41 new units of affordable owner housing over the next five years
<b>4 -Year Progress:</b> 8 units completed, 8 underway
<b>OBJECTIVE:</b> Help 235 low- and moderate-income residents purchase a home over the next five years
<b>4-Year Progress:</b> 73 purchases completed, 3 underway
<b>STRATEGY: PRESERVE AND UPGRADE EXISTING HOUSING</b>
<b>OBJECTIVE:</b> Preserve 535 units of affordable housing with expiring subsidies over the next five years
<b>4-Year Progress:</b> 98 units completed, 141 underway
<b>OBJECTIVE:</b> Rehab 74 units of rental housing over the next five years
<b>4-Year Progress:</b> 118 units completed, 14 underway
<b>OBJECTIVE:</b> Rehab 33 units of owner housing over the next five years
<b>4-Year Progress:</b> 28 units completed, 7 underway

**STRATEGY: PROTECT THE VULNERABLE**

**OBJECTIVE:** Help 3,585 residents each year over the next five years to remain housed and living independently

**4-Year Progress:** Averaging 4,252 residents annually

**OBJECTIVE:** Provide 880 homeless residents with shelter and services each year over the next five years

**4-Year Progress:** Averaging 2,250 residents annually

**OBJECTIVE:** Produce 36 new units of transitional housing over the next five years to help homeless residents move towards permanent housing

**4-Year Progress:** 47 units completed

**OBJECTIVE:** Develop 88 new units of permanent supportive / special needs housing over the next five years

**4-Year Progress:** 71 units completed, 16 underway, 39 in predevelopment

**OBJECTIVE:** Reduce lead hazards in 180 housing units over the next three years

**4-Year Progress:** 203 units completed

**ECONOMIC GOALS PROGRESS**

**GOAL:** A prosperous Burlington economy provides all Burlington residents with access to livable wage jobs, to the education and training that qualify them for those jobs, to business ownership opportunities, and to the supports necessary to access those opportunities.

**COMMUNITY INDICATORS:** Unemployment Rate, # of Jobs in the City, Commercial Vacancy Rates, Sales and Entertainment Revenues, # of Preschoolers Enrolled in Accredited Programs, Children Ready for Kindergarten, Second Grade Reading Scores, Drop Out Rate

<b>STRATEGY: RETAIN AND INCREASE THE NUMBER OF BUSINESSES AND JOBS IN BURLINGTON BY PROVIDING TECHNICAL ASSISTANCE, ENTREPRENEURIAL TRAINING AND BUSINESS LOANS</b>
<b>OBJECTIVE:</b> Support the start-up of 60 new businesses, the retention/expansion of 60 businesses, the creation of 190 new jobs and the retention of 75 jobs over the next five years by providing technical and financial assistance, information and training to 166 customers each year
<b>4-Year Progress:</b> 83 new business start-ups, 62 businesses expanded/retained, 1037 new jobs created, 581 jobs retained, average of 325 customers served annually
<b>STRATEGY: ENHANCE COMMERCIAL INFRASTRUCTURE TO INCREASE BUSINESS OPPORTUNITIES AND THE CITY'S TAX BASE</b>
<b>OBJECTIVE:</b> Support the development of 50,000 new sq. ft. and the retention/renovation of 150,000 sq. ft. of commercial space, the improvement of public infrastructure facilitating business development, and the collection of \$500,000 additional nonresidential property tax dollars over the next five years, with 1,750 associated construction jobs
<b>4-Year Progress:</b> 171,918 new sq. ft. developed, 320,168 sq. ft. renovated, 1,728 estimated construction jobs
<b>STRATEGY: REDUCE BARRIERS TO ECONOMIC OPPORTUNITIES</b>
<b>OBJECTIVE:</b> Help families access quality childcare/early education for 75 children each year over the next five years
<b>4-Year Progress:</b> Averaging 123 children annually
<b>OBJECTIVE:</b> Help 50 residents with improved access to economic opportunity each year over the next five years
<b>4-Year Progress:</b> Averaging 929 people annually



<b>SUITABLE LIVING ENVIRONMENT PROGRESS</b>
<b>GOAL:</b> All Burlington residents enjoy livable, attractive neighborhoods, are assured of safety and quality of life in their neighborhoods and in their homes, and have the necessary community supports to thrive.
<b>COMMUNITY INDICATORS:</b> Crime Rates, Participation in Youth Programming
<b>STRATEGY: PROVIDE ACCESS TO SERVICES TO STABILIZE LIVING SITUATIONS; ENHANCE HEALTH, SAFETY AND QUALITY OF LIFE; AND IMPROVE YOUTH DEVELOPMENT</b>
<b>OBJECTIVE:</b> Help 2,000 residents access nutritious food each over the next five years
<b>4-Year Progress:</b> Averaging 5,124 people annually
<b>OBJECTIVE:</b> Help 400 youth access after school and summer recreational and educational opportunities each year over the next five years
<b>4-Year Progress:</b> Averaging 823 youth annually
<b>OBJECTIVE:</b> Help 400 residents access health and public safety services each year over the next five years
<b>4-Year Progress:</b> Averaging 1,193 people annually
<b>STRATEGY: IMPROVE PUBLIC FACILITIES AND PUBLIC INFRASTRUCTURE TO FOSTER LIVABLE NEIGHBORHOODS AND ACCESS TO PUBLIC AMENITIES</b>
<b>OBJECTIVE:</b> Improve 10 public facilities over the next five years
<b>4-Year Progress:</b> 26 facility renovations completed and 5 underway
<b>OBJECTIVE:</b> Improve the public infrastructure serving 39,815 residents over the next five years
<b>4-Year Progress:</b> College Street Improvements completed, Waterfront North and Side Streets Improvements and Scenic Byways underway

**STRATEGY: REDEVELOP BROWNFIELDS INTO PRODUCTIVE USE**

**OBJECTIVE:** Redevelop 61.2 acres of contaminated sites into 4 new/renovated public facilities, 61 new units of affordable housing and 8 new/renovated commercial spaces over the next five years

**4-Year Progress:** 8.95 acres completed and 64.20 underway; 2 new facilities completed and 3 underway; 98 new, preserved or renovated housing units completed and 141 underway; 2 new commercial spaces completed and space for 8 new businesses underway

**Summary of Citizen Participation Process and Consultation Process**

The Community & Economic Development Office is the lead agency responsible for overseeing the development of the Consolidated Plan and for administering the CDBG and HOME programs. The Citizen Participation Plan was followed for the development of the Consolidated Plan. Public hearings were held in September 2012 and May, 2013. The hearings were published in a local paper. Organizations were consulted, including the Continuum of Care.

CEDO met with each of the Neighborhood Planning Assemblies (NPAs) during December 2012 through March 2013 to discuss the Consolidated Plan. The NPAs are grassroots associations, created by City Charter, which exist in each of city's wards and which meet monthly as organized, democratic forums where neighbors can learn about public issues that affect them and advise city government of their concerns and needs. CEDO also met separately with the citywide NPA Steering Committee for additional discussion about the Consolidated Plan.

The most meaningful way in which Burlington residents participate in the Consolidated Plan process is their involvement in the nuts and bolts of spending decisions. Each of the City's seven wards elects a representative to the CDBG Advisory Board and collectively, those residents have a majority voice in making recommendations to the Mayor about how to spend the city's CDBG funding each year. The Board's recommendations have traditionally been adopted without change by the Mayor and City Council.

The City engaged in several alternative public involvement techniques during the development of this Plan. The City developed a short survey regarding the needs of the City. This survey was distributed throughout the City to local organizations who serve low income populations including the homeless, local neighborhoods and online and via an electronic newsletter reaching over 1,200 residents. In addition to the survey, CEDO appeared on a Live at 5:25, 30 minute television show on the local government channel. During this show, staff explained the Consolidated Plan process, Needs Assessment and Market Analysis and will be broadcast 10 times during the public comment period.

The public comment period began on April 24 and ended on May 28, 2013.

### **Summary of Public Comments**

The following comments were received during the public comment period. Three people commented on and applauded the citizen process of the review and selection of the projects for the Action Plan. These people stressed that they made thoughtful and difficult decisions and believed that the Advisory Board's recommendations should be upheld by the City Council. One person noted that all the organizations that applied had valid requests, nearly every organization got something and only three organizations received no funding.

Two organizations that were funded thanked the Advisory Board for their recommendations and appreciated the funding.

One council member commented on the importance of making certain that all categories of people were included in the funding: children, teens, homeless, elders, for example. She did not want to see anyone left out of the funding mix. In addition, this person stressed that our local agencies piece together small funding amounts to make their annual budgets and would like Burlington to continue to fund organizations even if the grant amounts are small.

One council member thought it was important that Burlington continues to develop new affordable housing units and not just focus on maintaining the current inventory of units.

A final comment asked how the Lead Agency, CEDO, will get funding during this time of declining federal resources.

### **Summary of Comments or Views not Accepted and the Reasons for not Accepting Them**

The comment to continue to fund organizations with small amounts of grant funds was not accepted because it is administratively no longer feasible to successfully handle numerous grantees with small grants. Other strategies will be explored involving the local community and agencies to ensure positive, thoughtful and appropriate allocation policies assisting local agencies to meet the City's goals and objectives.

### **Summary**

To summarize, the following document represents the housing, community and economic development needs and priorities for the City of Burlington. The Plan is being presented in a new format as required by HUD and contains the information requested by the funding agency.